

# CRS Report for Congress

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## The European Parliament

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### Summary

The 732-member, directly-elected European Parliament (EP) is a key institution of the 25-member European Union (EU). Once limited to being a consultative assembly, the EP has accumulated more power over time. Currently, it plays a role in the EU's legislative and budgeting processes, and exercises general supervision over other EU bodies. The EP continues to face several challenges, however, especially in relation to its democratic legitimacy and operational costs. The most recent EP elections were held in June 2004. This report will be updated as events warrant. For more information, also see CRS Report RS21372, *The European Union: Questions and Answers*.

### Role of the European Parliament

The 732-member, directly-elected European Parliament is a key institution of the European Union. The EU is a treaty-based, institutional framework that defines and manages economic and political cooperation among its 25 member states (Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom). Once limited to being a consultative assembly, the EP has accumulated more power over time. Currently, it plays a role in the EU's legislative and budgeting processes, and exercises general supervision over the work of the two other main EU bodies, the Council of the European Union (Council of Ministers) and the European Commission. However, the EP is not a legislative body in the traditional sense. The EP cannot initiate legislation; that right rests solely with the Commission, which functions as the EU's executive and guarantor of the EU treaties. The Council, the EU's main decision-making body comprised of ministers from the national governments, enacts legislation based on Commission proposals, after it consults with the Parliament.

**Legislative Process.** The role of the European Parliament in the legislative process has expanded steadily over time as the scope of EU policy has grown. As more decisions within the Council of Ministers have become subject to qualified majority voting rather than unanimity to allow for greater speed and efficiency of decision-making, the Parliament has come to be viewed as an increasingly important democratic

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counterweight at the European level to the Commission and Council. The Amsterdam Treaty of 1997, which entered into force in May 1999, extended the “co-decision procedure” to many additional policy areas (ranging from the environment to social policy). In the “co-decision procedure,” the EP and the Council share legislative power and must both approve a Commission proposal for it to

become EU law. Reportedly, the EP currently has a say in about 80% of the legislation passed in the EU.<sup>1</sup> Tax matters and foreign policy, however, are among the areas to which the “co-decision procedure” does not apply (the Parliament may give a non-binding opinion). In June 2004, EU leaders concluded a new constitutional treaty that would roughly double the Parliament’s right of “co-decision” to 80 policy areas, including agriculture and home affairs issues, such as asylum and immigration. This EU constitutional treaty must still be ratified by all member states, and is unlikely to enter into force until at least 2006.<sup>2</sup>

#### The “Co-decision Procedure”

The EU’s “co-decision procedure” can be summarized as follows: (1) if Parliament and the Council of Ministers agree on a Commission proposal, it is approved; (2) if they disagree, the Council forms a common position; the EP can then either accept the Council’s common position, or reject or amend it, by an absolute majority of its members; (3) if the Council cannot accept the EP’s amendments, a conciliation meeting is convened, after which the EP and the Council approve an agreement if one can be reached. If they are unable to agree, the proposal is not adopted.

**Budget.** The EP and the Council exercise joint powers in determining the EU’s annual budget of roughly \$138 billion. The budgetary procedure begins with the Commission proposing a preliminary draft budget to the Council. The Council prepares another draft, which the EP may approve or modify in its first reading. On “compulsory” expenditures — mainly agriculture — the Council currently has the final say, but the EP has the last word on “non-compulsory” expenditures such as structural funds and development aid. The Council may amend the EP’s draft and send it back to the EP for a second reading. The EP can re-amend these Council changes, and must then adopt or reject the budget. The distinction between “compulsory” and “non-compulsory” expenditures will disappear with the ratification of the new EU constitutional treaty, thereby giving the EP more control over agricultural spending. The EP’s budgetary power is considerably greater than that exercised by most parliaments in EU member states.

**Other Responsibilities.** The Parliament also plays a supervisory role over the European Commission and the Council of Ministers. The EP votes on the Commission’s program and monitors the management of EU policies, in particular through oral and written questions to the Commission and the Council. The EP has the right to dismiss the entire Commission through a vote of censure. Although the EP has never exercised this power, in March 1999, the Commission opted to resign rather than face a formal censure by the EP over alleged corruption charges.

Since 1995, the EP has held U.S. Senate-style confirmation hearings for newly appointed Commissioners, who are chosen by the member states for five-year terms. The EP has the power to accept or reject a newly-proposed Commission as a whole, rather

<sup>1</sup> “Why Citizens Should Care About Who Is in the Parliament,” EuroNews, June 9, 2004.

<sup>2</sup> For more information, see CRS Report RS21618, *The European Union’s “Constitution,”* by Kristin Archick.

than individual nominees. In October 2004, some Members of the European Parliament (MEPs) threatened to veto the incoming Commission headed by President-designate José Manuel Barroso because of a controversy over its proposed composition. Many left-leaning MEPs objected to the choice of a conservative Italian for the position of Justice and Home Affairs Commissioner because of his views on homosexuality and women's rights. They also opposed several other nominated Commissioners, and demanded either a re-shuffling of Commission posts or new appointments. Barroso withdrew his proposed team in order to avoid rejection by the EP, and revamped it to ensure parliamentary approval; Barroso's task was eased when the Italian nominee subsequently stepped down. Some observers cite this unprecedented stand by the EP as a sign of its growing political clout and influence.<sup>3</sup> Parliament approved the reorganized Commission on November 18, 2004; the new Commission took office on November 22, three weeks after it was originally scheduled to have started work.

Among its other responsibilities, the EP must approve the accession of new EU member states and the conclusion of all official agreements with third parties, such as association and trade agreements with non-member states. If the Parliament does not consent, such agreements cannot enter into force.

## Organization of the European Parliament

Members of the European Parliament serve five-year terms and have been directly elected since 1979.<sup>4</sup> The number of MEPs in each member state is based on population size. The most recent EP elections were held in June 2004, and were the first since the EU's enlargement from 15 to 25 members on May 1, 2004. Voter turnout, however, was the lowest ever at roughly 45%. Average turnout in the ten newest members was only 29%, compared to 49% in the EU's older 15 members.<sup>5</sup>

**Political Groups.** The new EP has seven political groups, which are based on ideology rather than nationality or political party, plus some "non-attached" or independent members. In the June 2004 election, the center-right European People's Party and European Democrats (EPP-ED), with 268 seats, retained its position as the largest political group. The Party of European Socialists (PES) came in second with 202 seats. Euroskeptic candidates made significant gains in some countries, such as the United Kingdom. These candidates formed a new Independence and Democracy group (IND), with 36 seats; in the previous Parliament, the euroskeptic group only had 18 MEPs. The IND is composed of both moderates, who support greater transparency and control over the EU bureaucracy, and radicals, who advocate withdrawal from the EU; both wings of the IND, however, oppose the EU's new constitutional treaty.<sup>6</sup> As no single group in the EP has an overall majority, however, each must compromise to secure changes to legislation.

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<sup>3</sup> George Parker, "Euphoric Mood in Strasbourg," *Financial Times*, October 28, 2004.

<sup>4</sup> Prior to direct elections, MEPs were appointed by their national parliaments.

<sup>5</sup> "Apathy Rules Among Newest Member States," *Financial Times*, June 15, 2004.

<sup>6</sup> "Eurosceptics Form Anti-Constitution Group," EUObserver.com, June 29, 2004.

Political Groups and Seats in the European Parliament, 2004-2009	
European People's Party-European Democrats (EPP-ED; center-right)	268
Party of European Socialists (PES; center-left/socialists)	202
Alliance of Liberals and Democrats for Europe (ALDE; liberals)	88
Greens/European Free Alliance (Greens/EFA; greens and regionalists)	42
European United Left/Nordic Green Left (EUL/NGL; far left and former communists)	41
Independence and Democracy (IND; euroskeptics)	36
Union for Europe of the Nations (UEN; nationalists)	27
Non-attached members	28

**The EP President.** The newly-elected President of the EP is Josep Borrell, a Spanish MEP in the PES group. Borrell is the first EP president who has not previously served as an MEP. He is a former Spanish government official and one of Spain's delegates to the convention that drafted the first version of the EU constitutional treaty. Borrell was chosen as EP President as the result of a power-sharing deal struck between the PES and the EPP-ED; he will serve as president for the first half of the new Parliament's term, until January 2007, and will then likely be succeeded by EPP-ED leader Hans-Gert Pottering of Germany for the remaining 30 months. Part of the deal also guaranteed the PES' support for Barroso, a conservative former Portuguese prime minister, as President of the European Commission. Borrell's reported priorities will include the looming ratification battle over the EU's constitutional treaty, and increasing the EU's transparency and democratic legitimacy — an ongoing problem for the EU, but one further highlighted by the poor voter turnout for the EP election. Borrell opposed the U.S.-led war in Iraq and believes that the EU must develop a stronger common foreign and security policy in order to increase its weight and role in world affairs.<sup>7</sup>

**Committees.** The new EP has 20 standing committees. These committees are key actors in the adoption of EU legislation. Each committee appoints a chairman, three vice-chairmen, and has a secretariat. The appropriate committee (e.g., the Committee on the Environment, Public Health, and Food Safety would deal with legislation on pollution) appoints a Member as "rapporteur" to draft a report on the Commission proposal under consideration. The rapporteur submits a draft report to the committee for discussion, which is then voted on and possibly amended. The committee's report is then considered in plenary, amended, and put to a vote. The EP thus adopts its position on the issue. In terms of their importance and strength, EP committees rival those in the U.S. Congress and surpass the role of committees in most national European legislatures. Ad hoc committees may also be established to investigate or oversee specific issues.

**Location.** Strasbourg, France is the official seat of the EP; plenary sessions are held there for one week a month. For two weeks a month, the EP's standing committees meet 300 miles to the northwest in Brussels, Belgium, where the European Commission

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<sup>7</sup> "Spaniard To Head European Parliament," Associated Press, July 20, 2004; Raphael Minder, "Parliament Presidency Depends on Parties' Deal," *Financial Times*, July 17, 2004.

and the Council of Ministers are located. Generally, there is also one “part plenary” session (two days) in Brussels each month. One week is set aside for meetings of the political groups, which are usually held in Brussels. MEPs must have offices and lodgings in both cities. Meanwhile, the EP’s Secretariat is based in Luxembourg, about mid-way between Strasbourg and Brussels. Most the EP staff, however, live in Brussels and either commute to France or communicate via telephone or e-mail during full plenary sessions. The costs of having three addresses are high in terms of both time and money, and continues to be a contentious issue (see below).

**Languages.** Simultaneous interpretation of all parliamentary and committee debates is provided in the EU’s 20 official languages. All parliamentary documents are translated into and published in these languages.

## Challenges

The European Parliament faces several challenges. Chief among these is the issue of the EP’s legitimacy, despite being a directly-elected body. Skeptics contend that the Parliament is a largely ineffective actor impeded by an overly complex legislative process, a high MEP turnover rate and absenteeism, and limited public interest and understanding. To them, it symbolizes the democratic deficit and lack of transparency within the EU. On the other hand, EP champions suggest that “co-decision” has enhanced the Parliament’s influence, and as the only directly-elected EU institution, the EP increasingly plays an important checks-and-balances role, as seen for example by its recent insistence on changes in the composition of the incoming Commission. Moreover, supporters claim that the EP’s influence is growing even in strictly consultative areas such as the EU’s common foreign policy where the “co-decision procedure” does not apply. They assert that the EP has become a forum for debate on international issues, and uses its power of assent on cooperation accords with third parties, as well as Parliamentary resolutions, to promote human rights. Yet critics argue that EP views on international relations — such as EP opposition to lifting the EU arms embargo on China — may have little effect because foreign policy decisions rest with the member states.

Closely related to the question of the EP’s legitimacy is the issue of whether MEPs reflect national or European interests. The Parliament claims to represent the people of Europe, while the Council speaks for the governments. But some observers contend that MEPs often promote parochial national interests. Past examples include Italian and Spanish MEPs defending olive growers, and British and Irish MEPs joining forces to oppose tax harmonization measures. And many MEPs campaign for the Parliament on national rather than European issues. Others argue that voting behavior in the EP indicates that ideology holds greater influence than nationality, with MEPs voting with their party groups almost 90% of the time.<sup>8</sup>

Another major concern is costs, which the EP has been under public pressure to reduce. The fact that MEPs and their staffs shuttle among three cities leads to travel and hotel bills that, in the past, have consumed roughly 15-20% of the EP’s budget. Yet the suggestion that the EP should consolidate its operations in one city has met with opposition in the host countries of France, Belgium, and Luxembourg, which fear losing

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<sup>8</sup> See Simon Hix, Abdul Noury, and Gerard Roland, *How MEPs Vote*, November 2002.

economic benefits and jobs. Strasbourg was chosen originally as the seat of the EP to serve as a symbol of peace between France and Germany, and both countries argue it should continue to do so. Construction of multi-million dollar buildings in Brussels and Strasbourg in the late 1990s to accommodate the anticipated growth in MEPs following EU enlargement also stirred controversy. Critics complain that the EP is “Europe’s most expensive dining club for an elite of pampered politicians.”<sup>9</sup>

Recent attempts to reform Parliament’s salary and expense regime, however, have encountered considerable difficulties. For years, MEPs have complained about pay disparities because they receive the same salary as members of their respective national parliaments. Thus, Italian MEPs currently earn roughly three times more than their Spanish counterparts. In December 2003, MEPs approved a deal that would have paid all MEPS the same amount in exchange for instituting a reimbursable system for MEPs’ business and travel expenses; currently, MEPs receive a flat-rate travel allowance that does not require receipts and contributes to the Parliament’s “gravy train” image. But Germany, France, Austria, and Sweden blocked this initiative because they worried about the costs of the reforms, which would have substantially increased some MEPs’ salaries.

## **The European Parliament and the U.S. Congress**

Ties between the EP and the U.S. Congress date back to 1972, when a U.S. Congressional delegation first visited the EP in Brussels and Luxembourg. Since then, Congressional-EP exchanges have taken place at least once a year, and have provided the opportunity for sustained dialogue. The U.S. Congress-EP exchange is the oldest and most prestigious of the EU’s interparliamentary delegations, which seek to develop and maintain close ties with countries outside the EU.

In 1999, the EP and the U.S. Congress launched the Transatlantic Legislators’ Dialogue (TLD) as their official response to the U.S.-EU commitment in the 1995 New Transatlantic Agenda to further enhance parliamentary ties between the EU and the United States. With the TLD, the two sides have committed to regular meetings twice a year, once in Europe and once in the United States, to discuss a wide range of topical political and economic issues. The EP TLD delegation is led by a chairman, who is elected by the delegation’s members and has responsibilities equal to those of a committee chair. The most recent TLD meeting took place in April 2004 in Ireland.

Congress and the EP have also initiated a series of video conferences on specific areas of mutual concern (recent video conferences have focused on the exchange of passenger data, financial services, and U.S. restrictions of steel imports). Some MEPs have called for making the TLD more “operational,” however, by creating a formal early warning system to allow each side to weigh in on legislation-in-progress that could adversely affect their interests.<sup>10</sup>

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<sup>9</sup> Nicholas Rufford, “MEPs pick up 36% pay raise,” *Sunday Times*, July 1, 2001.

<sup>10</sup> For more information, see the European Parliament’s website on the Transatlantic Legislators’ Dialogue [[http://www.europarl.eu.int/intcoop/tld/welcome\\_en.htm](http://www.europarl.eu.int/intcoop/tld/welcome_en.htm)].